



FISCAL MEMORANDUM

HB 170 - SB 149

February 11, 2022

SUMMARY OF BILL AS AMENDED (013242): Increases the maximum threshold of various fees which may be assessed by local authorities for the deployment of small wireless facilities (SWF) within rights-of-way (ROW). Makes various changes to the defined size of SWFs and potential support structures (PSS) for SWFs. Specifies that certain sections of the proposed legislation do not apply to a small cell installed prior to the effective date of the act, unless and until the small cell is physically modified.

FISCAL IMPACT OF BILL AS AMENDED:

Increase Local Revenue –

Exceeds \$283,000/Each FY22-23 through FY24-25/Permissive

Exceeds \$33,000/FY25-26 and Subsequent Years/Permissive

Assumptions:

- The proposed language does not impact rates charged by the Tennessee Department of Transportation.
- Changes to the size and height for SWFs and PSSs within the proposed language aligns the *Competitive Wireless Broadband Investment, Deployment, and Safety Act of 2018* with the same size and height standards prescribed by the Federal Communications Commission.
- The proposed language makes the following changes to the maximum fee thresholds which may be assessed by local authorities:
 - For SWF colocations on existing or replacement PSSs, the application fee for a single application of up to five SWFs is \$500; the fee for each additional SWF included in a single application is \$100;
 - The annual rate for colocation of a SWF on a locally owned PSS was changed from \$100 to \$270; and
 - Creates an application fee for a new PSS, other than a replacement PSS, together with the colocation of an associated SWF, of \$1,000.
- Local governments will increase all applicable fees to the maximum threshold limit and charge all new fees available.
- According to the *Small Cell Wireless Facilities and Public Rights-of-Way* report by the Tennessee Advisory Commission on Intergovernmental Affairs, initial deployment of SWFs is still in its early stages and located primarily in urban and suburban areas.

- Due to the fact that initial deployment of SWFs has been slow, it is reasonably assumed that the bulk of deployment has yet to occur. This analysis assumes the bulk of deployment will occur in FY22-23 through FY24-25.
- The collection of application fees at the new maximum threshold is estimated to result in an increase in local government revenue exceeding \$250,000 in each FY22-23 through FY24-25 statewide.
- The collection of annual rates at the new maximum threshold is estimated to result in a recurring increase in local government revenue exceeding \$33,000 in FY22-23 and subsequent years.
- The total increase in local government revenue for each FY22-23 through FY24-25 is estimated to exceed \$283,000 (\$250,000 + \$33,000), and exceeding \$33,000 in FY25-26 and subsequent years.

IMPACT TO COMMERCE OF BILL AS AMENDED:

Increase Business Expenditures –

Exceeds \$283,000/Each FY22-23 through FY24-25/Permissive

Exceeds \$33,000/FY25-26 and Subsequent Years/Permissive

Assumptions:

- Private business will experience an increase in business expenditures for application fees estimated to exceed \$250,000 in each FY22-23 through FY24-25.
- There will be an increase in business expenditures for annual rates paid to local authorities for SWF located on locally-owned PSSs of \$33,000 beginning in FY22-23 and occurring in subsequent years.
- The total increase in business expenditures is estimated to exceed \$283,000 (\$250,000 + \$33,000) in each FY22-23 through FY24-25 and exceed \$33,000 in FY25-26 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/mp